

In this issue

| | |
|---------------------------------|---|
| New appointments | 2 |
| Corporate social responsibility | 3 |
| Our people | 4 |

RBH TO ACQUIRE STRATEGIC STAKE IN VODACOM SA

RBH has taken another major step forward in its strategic objective to diversify its investment portfolio.

Pan African cellular communications company Vodacom has announced details of its R7.5 billion broad-based black economic empowerment transaction in terms of which RBH will become a strategic partner in Vodacom's South African operations, Vodacom (Pty) Limited (Vodacom SA).

The transaction includes a public offer to the black public, black groups and Vodacom's black business partners, as well as participation by Vodacom's

employees and two broad-based strategic partners, RBH and Thebe Investment Corporation.

Both RBH and Thebe will hold their interest directly in Vodacom SA. Of the 2.81% stake in Vodacom SA held by the strategic partners, RBH will hold 1.97% and Thebe 0.84%.

RBH and Thebe will contribute total equity of R540 million for their stakes, which have a current market value of R3,375 million. The strategic partners will have immediate voting rights and will receive 50% of the dividends in the initial investment for the first seven years.

COAL – ALL FIRED UP

It has been a busy time for South African Coal Mining Holdings (SACMH), with the recent announcement of a major expansion to its Umlabu mine in Ermelo, Mpumalanga, a rights offer and success in gaining prospecting rights over Kromkrans near Umlabu.

RBH acquired its interest in SACMH – its first investment in the coal sector – in August last year. Together with Royal Bafokeng Capital, RBH has a 65% stake in the company.

"Having established SACMH as a profitable black-owned and controlled coal mining company, we are now making a major investment in the business to increase production substantially and to become much more efficient," says company CEO Karl Gribnitz, who explains that SACMH will also be embarking on exploration for the first time.

To improve the cost effectiveness of its Umlabu mine and to enable this operation to expand, SACMH is commissioning two new underground production sections, upgrading the plant, upgrading the Richards Bay Coal Terminal (RBCT) allocation and constructing a siding.

The result will be:

- an increase in production from 95,000 tonnes per month (tpm) to 150,000tpm, of which 40,000tpm will be sold to Eskom and 110,000tpm exported;
- a ramp-up in plant capacity from 35,000tpm to 110,000tpm;
- a dedicated siding, New Voorslag, able to handle 60,000tpm; and
- an increase in the RBCT allocation from 17,250tpm to 58,850tpm.

Through this programme Umlabu will become a more profitable operation. Costs will come down because toll treatments are R22/t more expensive than own plant costs and the use of other sidings in the Ermelo region (which costs R96.50 more per tonne because of transport) will be reduced. At the same time, unit revenue will improve as the amount of export quality coal sold into the domestic market or into the export market through third-party RBCT allocation will be limited.

The cost of the expansion is estimated at about R400 million and a portion of the capital required will be raised by way of a rights offer for R100 million through the issue of 25 million



new shares at a price of R4.00 per rights share in a ratio of 16.47239 rights shares for every SACMH share held on the record date. The remainder of the funding will be raised from debt and through further equity issues for about R50 million.

And in another development, SACMH has been granted prospecting rights for portions of Kromkrans, a 561ha property some 30km north of Umlabu. Exploration begun in July and test drilling results are anticipated three months from commencement of drilling.

As Karl Gribnitz notes, "The granting of the prospecting rights over Kromkrans is an important and exciting development, especially because of its proximity to the Umlabu mine."



NEW APPOINTMENTS

Director: Corporate Finance

Pieter Rörich (39), CA (SA), has been appointed Director: Corporate Finance at RBH with effect from 1 May 2008.

Pieter's expertise in corporate finance and mergers and acquisitions (M&A) will be used in his current position, which involves assisting RBH in evaluating investments and executing transactions.

In his previous position of Executive Director: New Business and Investor Relations at African Rainbow Minerals, where he was employed between 2004 and 2008, Pieter was instrumental in concluding a number of key transactions. These included its investment in Xstrata Coal South Africa and the formation of ARM Coal; the listing of TEAL Exploration and Mining on the TSX Venture Exchange; and the formation of ARM's Broad-based Economic Empowerment Trust.

His association with RBH began at Deutsche Bank where he was responsible for the

company's mining and resources team, a portfolio which was later expanded to include M&A. During his career at the bank, Pieter advised the Bafokeng on a number of mainly platinum-related transactions, and several companies in both the resources and financial sector – Anglo American, Avmin, Liberty Life and Sanlam – on a range of transactions. He also acted as adviser to government on the potential disposal of Denel to BAE Systems. Pieter was a director of Deutsche Bank from 2001 to 2004.

One of his most interesting positions was a four-year stint at Gensec, where he was responsible mainly for technical corporate finance work as well as the media, telecommunications and education sectors in the equity underwriting business. "It was during the IT boom so there was a big transaction flow which made it very exciting," Pieter reminisces. Prior to his leaving Gensec for Deutsche Bank, he started the company's corporate finance division as part of its transition to a bank.

Born in Witbank where he attended school, Pieter went on to study part-time at the University of Pretoria while doing his articles. He completed his articles at the Witbank offices of Deloitte & Touche before joining its corporate finance team in Johannesburg.

A family man with a 10-year old daughter, Pieter enjoys music, nature, reading and theatre.



Pieter Rörich – Director: Corporate Finance

Director: Group Finance

Lucas Ndala (33) has been promoted to Director: Group Finance.

Previously manager of RBH Strategic Investments, he takes over from Solly Mokua who left the company in April.

In his new portfolio, Lucas, CA (SA), will be responsible for all financial activities, including the preparation of annual financial statements and statutory compliance.



Lucas Ndala – Director: Group Finance

Senior Manager, RBH Phokeng

Eugene Tsitsi has been appointed as Senior Manager, RBH Phokeng Office.

A qualified lawyer with a B Proc degree from the University of the North West, he holds a certificate in Competition Law from Wits University as well as a New Manager's Programme certificate from Wits Business School.

Eugene started out as an administration of justice officer in the Presidency of

the former Bophuthatswana government. He went on to take up other positions in Bophuthatswana, acting as a commissioner for tribal courts, and serving as a legal officer for the Consumer Council and as Head of Registry, responsible for all standard form contracts applicable in Bophuthatswana.

More recently, he worked as a legal officer at the then South African Telecommunications Authority, during which time he was appointed as one of the panelists considering bids for the third cellular phone operator.

Prior to joining RBH, Eugene was a registrar at the Competition Tribunal of South Africa and also acted in that role for the Competitions Appeal Court.



Eugene Tsitsi – Senior Manager, RBH Phokeng

Manager: RBH Investments

Phemelo Gonggang (32) has been appointed as Manager: Investments with responsibility for strategic investments.

Previously employed at Outokumpo Technology, Phemelo holds a BSc in Chemical Engineering and a GDE in Industrial Engineering.



Phemelo Gonggang – Manager: RBH Investments

OUR SOCIAL RESPONSIBILITY

RBH LEAPS INTO ACTION

RBH and RBS staff joined forces on Leap Year Day to help youngsters from Tapologo Hospice's Outreach Programme for Orphans and Vulnerable Children (OVC) in Freedom Park and the Moremogolo Primary School in Phokeng.

Eager to contribute to RBH's corporate social investment programme, some 40 enthusiastic employees rolled up their sleeves and got down to some serious painting and decorating in an effort to brighten up the children's classrooms. They also cleaned the school yard and put up some much-needed sports equipment. By the end of the day the volunteers had spruced up two classrooms and put



RBH and RBS volunteers

up netball poles on the sports fields. But it wasn't all work; they also spent time with the 360 children who attend this school, reading books or playing games.

With 2010 just around the corner, the youngsters were delighted with the 20 footballs that were distributed as farewell gifts. There were also

presents for the community caregivers at Tapologo Hospice in appreciation of the sterling work they are doing.

RBH has pledged to carry out at least two volunteer activities a year at the hospice and Moremogolo Primary School, thus ensuring that the visits come around more than once every four years!



Tshepo Dikale – Audition winner

BTE INCUBATOR SCHEME BUDDING ARTIST ABOUT TO BLOSSOM

A promising young artist has been selected to train with the prestigious Black Tie Ensemble, a culturally diverse group of singers who are sponsored by RBH.

Tshepo Dikale from Ntsweng section in Phokeng is to spend a year on the BTE's incubator scheme, preparing to become a world-class opera singer.

Tshepo is a beneficiary of RBH's visionary BTE sponsorship, which has enabled the BTE to

establish an outreach programme for schools in the Rustenburg valley as well as to hold annual auditions to identify up-and-coming talent. It was during one such audition that Tshepo's potential was recognised.

On completion of his training, Tshepo hopes to make a career of opera music either as a singer or a music lecturer. "My ultimate dream, though, is to join the Black Tie Ensemble," says the enthusiastic youngster who aims to reach for the stars.

APPOINTMENTS

Co-ordinator: Corporate Social Investment

Patience Sikwane has been appointed as Corporate Social Investment Co-ordinator with responsibility for identifying potential RBH-funded community projects; the initial screening of applications or proposals; assessing and monitoring of projects; and providing support and advice to community-based organisations.

Her experience includes working as committee co-ordinator of the Health Professions Council of South Africa's Psychometrics Committee and National Board Examination; committee administrator at

the South African Bureau of Standards; and administration assistant at the Financial Services Board.

With a BA degree in Public Administration and International Relations from the University of Cape Town and having completed the Management Development Programme at Pretoria University, Patience is knowledgeable in a wide range of areas: understanding business; planning and control; people motivation; managing diversity; communication skills; industrial and human relations; and financial management.

While at SABS, Patience also completed the Emerging Leader Development Programme. She is currently studying for a Master's degree in Public Administration.

Manager: Corporate Social Investment

Matshidiso Molefe has been appointed Manager: Corporate Social Investment with effect from 1 April 2008. Key areas of responsibility include managing RBH initiatives aimed at the social and economic development of the community; managing the grant-making function of the RBH; CSI policy development; and project management.

Previously employed at Sasol, she has a BA in Social Science, a diploma in Project Management and a postgraduate degree in Public Policy and Development Administration.

Matshidiso is a keen runner and she also enjoys travelling.



Patience Sikwane



Matshidiso Molefe

OUR PEOPLE

RBS - ENCOURAGING A SPORTING NATION



Future Bafokeng athletes



Workshop participants

Royal Bafokeng Sports (RBS) made its presence felt in the community recently through its involvement in two projects. RBS provided transport for participants from the surrounding Bafokeng villages; sports gear for contestants and tracksuits for coaches; and refreshments

An athletics meeting was held at Olympia Park Stadium on Saturday, 18 May 2008 to identify potential athletics talent for the provincial athletics meeting. The event attracted 3 000 children, between the ages of 6 and 18, who were transported to the venue from the surrounding Bafokeng villages.

Kitted out with their RBS-sponsored athletics gear, including vests, shorts, socks and caps, the eager contestants took part in a variety of races in their age group.

The best 200 athletes were chosen to represent RBS at the inter-provincial athletics meeting in Polokwane.

A martial arts workshop was held at Matsukubane Middle School in Kanana village to select candidates for the National Karate Championship in Sasolburg. With the participation of 1 500 karatekas (karate experts) and 50 instructors, the workshop provided special training before the team was chosen.

A BIG WHEEL AT RBS!

It turns out that RBS sports its own champion in the form of Eileen O'Connor, office administrator and personal assistant to George Khunou.

Eileen has close to 100 medals from a number of road races. She has completed the Cape Argus Pick 'n Pay Cycle Tour – the world's biggest individually timed cycle race over 109 km – no fewer than seven times. But her favourite is the 94.7 Cycle Challenge with a 94.7km route in Johannesburg which takes cyclists across the Nelson Mandela Bridge.

Training, of course, is all important, says Eileen, who trains six days a week. Mondays to Thursdays are spent in the gym – for 90-minute sessions – while weekends are reserved for outdoor cycle training. "I'm up at 5 o'clock for an 80 to 100km cycle ride on

Saturdays, and on Sundays I clock up no less than 50km after church," says the intrepid sportswoman.

Eileen is currently cycling for her provincial colours (North West) which requires her to

participate in all the provincial races held in the country during the year. "So far I've come first and second in the ladies' Vets," she says proudly, adding that her goal is to be chosen as one of the top ladies veterans in the country and to participate in the national cycling team.



Eileen doing what she does best